



4004

**ANNUAL REPORT**

OF

Name: CRANDON TELEPHONE COMPANY

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Principal Office: 105 S HAZELDELL AVE  
P.O. BOX 275  
CRANDON, WI 54520-0275

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For the Year Ended: DECEMBER 31, 1998

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TELECOMMUNICATIONS UTILITY  
TO  
PUBLIC SERVICE COMMISSION OF WISCONSIN

P.O. Box 7854  
Madison, WI 53707-7854  
(608) 267-9504

*This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.*

## GENERAL RULES FOR REPORTING

1. Unless otherwise indicated, the information requested in this report should be taken from the accounts and other records in conformity with the Uniform System of Accounts prescribed by the Public Service Commission of Wisconsin in docket 05-US-102. The definitions and instructions contained therein should also apply to the report wherever applicable. A query or response concerning information contained in this report regarding any practice or transaction should not be construed as indicating conformity to accounting or other pertinent regulations.
2. Please follow all instructions and answer each question fully and accurately. Provide additional information as necessary to avoid misunderstandings or misleading responses. Abbreviations listed on page 6 may be used, however please show the exact name of the respondent in full on the "Identification and Ownership" page.
3. Wherever information is requested in a "note", please show that information in the space provided, or make reference to the adjacent page or insert where the note may be found. Please also identify each note. Footnote capability is included in the annual report software program. Please use it where necessary to fully explain particulars in the annual report.
4. Numeric items are limited to digits (0-9). A minus sign "-" should be entered in the software program to indicate negative values. Do not use parentheses for numeric values. The program will convert the minus sign to parentheses when a hard copy of the annual report is printed. Negative values may not be allowed for certain entries in the annual report due to restrictions contained in the software program.
5. Please report all dollar amounts to the nearest whole dollar.
6. This annual report should be complete in all respects. Unless otherwise authorized, avoid references to returns of former years or to other reports.
7. Wherever schedules call for data from the previous year and such data were reported in the previous annual report, that previous year's data should be reported without modification. If modified, an appropriate footnote indicator and explanation should be included in the current year's annual report.
8. Where part or all of the report is prepared by other than utility personnel, a disclosure is required in the notes to the income statement or the balance sheet, which describes the nature and extent of work performed.
9. Please print a hard copy of the annual report on 20 pound or heavier paper, sign it and compare with the electronic copy before officially filing it with the Public Service Commission of Wisconsin.

**SIGNATURE PAGE**

I LEE A. LAPPIN of  
(Person responsible for accounts)

CRANDON TELEPHONE COMPANY, certify that I  
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

LEE A. LAPPIN 03/31/1999  
(Person responsible for accounts) (Date)

CONTROLLER  
(Title)

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**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Access Line</b>	Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency transmission, and/or time slot transmission. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice channel or a 64 kilobits per second digital channel.
<b>Analog Signal</b>	A signal that varies in a continuous manner such as voice or music. An analog signal must be contrasted with a digital signal which can assume only discrete values.
<b>Cellular System</b>	A high capacity land mobile radio system in which an assigned frequency spectrum is divided into discrete channels that are assigned to a cellular geographic serving area.
<b>Central Office</b>	A switching unit in a telephone system providing service to the general public, having the necessary equipment and operating arrangements for terminating and interconnecting lines and trunks.
<b>Centrex</b>	A service for customers with many stations that permits station-to-station dialing, one listed directory number for the customer, direct inward dialing to a particular station and station identification on outgoing calls. The switching functions are performed in a central office (stand alone, host or remote).
<b>Channel</b>	An electrical communications path between two or more points. A single pair of wires may provide more than one channel. A channel may also be provided by microwave.
<b>Customer</b>	A person who uses a telephone as a subscriber.
<b>Digital Signal</b>	A signal that has a limited number of discrete states. This may be contrasted with an analog signal that varies in a continuous manner and may have an infinite number of states.
<b>Equal Access</b>	The ability of the subscriber to use any long distance service by dialing the same number of digits.
<b>Exchange</b>	A defined area served by one or more central offices regardless of technical serving arrangements within which the company furnishes service at rates and rules prescribed for that area in the company's filed tariffs. The area is not necessarily marked by political boundaries or the location of host or remote switching units.
<b>Extended Area Service (EAS)</b>	The ability of a customer to call customers in other exchanges at no additional charge or at an additional charge per tariff.
<b>Extended Community Calling (ECC)</b>	The ability of a customer to call customers in other exchanges at rates usually above EAS rates but below toll rates for comparable distances. Rates generally include a duration element.
<b>Feature Group A</b>	Line-side originating and terminating LATA access for which an originating subscriber dials an assigned telephone number that connects to a specific interexchange carrier (IC). The IC returns a tone to signal the caller to input additional generated digits of the called number.

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Feature Group B</b>	Trunk-side originating and terminating LATA access for which an originating subscriber dials a 950-WXXX number (where W=0, 1 and XXX is the carrier access code (CAC)), which is translated to a specific XXX carrier trunk group. Optional rotary dial service and ANI may be available.
<b>Feature Group C</b>	Trunk-side LATA access for AT&T-Communications generally on a direct basis between each end office (EO) and an AT&T-C switching system.
<b>Feature Group D</b>	Also referred to as equal access. It is trunk-side LATA access affording call supervision of an interexchange carrier, a uniform access code (10XXXXX), optional calling party identification, recording of access-charge billing details and presubscription to a customer specified interexchange carrier.
<b>FX-IN</b>	A nonswitched service where the customer of the company is connected to and receives switching service through central office equipment located in another exchange area.
<b>FX-OUT</b>	A switched service where facilities are provided from the central office out to the exchange boundary where it meets the line from a foreign exchange subscriber.
<b>Host Switching System</b>	A switching system that provides centralized control over most of the switching functions of one or more remote switching units. The host switching system usually provides trunk access to the operating company intraLATA networks.
<b>Local Access Transport Area (LATA)</b>	A geographic area within which an operating company may offer its telecommunications services.
<b>Mobile Telephone</b>	A service which provides radio telephone communication from a mobile vehicle to another vehicle or to a regular telephone.
<b>Paging</b>	A service which provides one-way signal or voice communication over a radio channel to a miniature receiver carried by the customer.
<b>Pair</b>	Two wires of a single circuit.
<b>Pay Station</b>	A telephone which normally requires all users to deposit one or more coins or use a credit card to complete a call.
<b>Private Line Service</b>	Channel or circuit rented for private use and not intended to be connected to the general distribution system.
<b>Private Branch Exchange (PBX)</b>	A manually, or operator controlled switching system, usually on the customer's premises, which serves that customer's telephones over a common group of lines from the central office.
<b>Radio Common Carrier (RCC)</b>	A company which furnishes public telecommunications service using one or more radio channels.
<b>Remote Switching Unit (RSU)</b>	An electronic switching system that is remote from its host or control office. All of the central control equipment for the RSU is located in the host switching system.

**ANNUAL TELECOMMUNICATIONS REPORT GLOSSARY OF TERMS**

<b>Route Miles</b>	<p>Total number of route miles (to the nearest mile) of operating plant facilities including drop wire in the exchange. One route mile may consist of:</p> <ol style="list-style-type: none"><li>1. One mile of roadway with any combination of outside plant facilities on any number of rights-of-way.</li><li>2. One mile of a cross country route with any combination of outside plant facilities.</li><li>3. One mile of point-to-point microwave or radio link.</li><li>4. One mile of plant on either side of a limited access highway or natural barrier, such as a navigable waterway.</li><li>5. One mile of joint use line where the utility either owns the facility or leases space.</li></ol>
<b>Stand Alone Switch</b>	<p>A central office switch which has no remote switching units (RSUs) subtending it.</p>
<b>Trunk</b>	<p>A communications path connecting two switching systems in the establishment of an end-to-end connection.</p>
<b>Wide Area Telephone Service (WATS)</b>	<p>Customer leased access line or lines connected to the nationwide network over which an unlimited number of calls can be made for a fixed monthly charge.</p>
<b>Wire Center</b>	<p>The location of one or more local switching systems. A point at which customers' loops converge.</p>



**ABBREVIATIONS USED IN ANNUAL REPORTS**

<b>Acct</b>	.....	Account
<b>Accum</b>	.....	Accumulated
<b>Acq</b>	.....	Acquisition
<b>Admin</b>	.....	Administrative
<b>Alloc</b>	.....	Allocation
<b>Amort</b>	.....	Amortization
<b>CO</b>	.....	Central Office
<b>Depr</b>	.....	Depreciation
<b>Equip</b>	.....	Equipment
<b>Exp</b>	.....	Expenses
<b>EOY</b>	.....	End of Year
<b>FOY</b>	.....	First of Year
<b>Info</b>	.....	Information
<b>ITC</b>	.....	Investment Tax Credit
<b>Misc</b>	.....	Miscellaneous
<b>Nonoper</b>	.....	Nonoperating
<b>Nonreg</b>	.....	Nonregulated
<b>Oper</b>	.....	Operating
<b>Opns</b>	.....	Operations
<b>Orig</b>	.....	Originating
<b>Prop</b>	.....	Property
<b>Receiv</b>	.....	Receivable
<b>Reg</b>	.....	Regulated
<b>Rev</b>	.....	Revenues
<b>Svcs</b>	.....	Services
<b>Telecom</b>	.....	Telecommunications
<b>Term</b>	.....	Terminating
<b>TPIS</b>	.....	Telecommunications Plant in Service
<b>TPUC</b>	.....	Telecommunications Plant Under Construction
<b>Uncoll</b>	.....	Uncollectible

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**IDENTIFICATION AND OWNERSHIP**

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**Exact Utility Name:** CRANDON TELEPHONE COMPANY  
**Utility Location:** 105 S HAZELDELL AVE  
P.O. BOX 275  
CRANDON, WI 54520-0275

**Utility Web Site Address:**

**When was utility organized?:** 01/01/1900

**Report any change in name and the effective date:**

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**Officer in charge of correspondence concerning this report**

---

**Name:** MR LEE A. LAPPIN  
**Title:** CONTROLLER

**Office Address:** 53 NORTH STEVENS STREET  
P.O. BOX 340  
RHINELANDER, WI 54501-0340

**Fax Number:** (715) 369 - 2628  
**Telephone Number:** (715) 365 - 7777  
**Email Address:** lalap@newnorth.net

**Individual or firm, if other than utility employee, preparing this report**

---

**Name:**  
**Title:**

**Office Address:**

**Fax Number:**  
**Telephone Number:**  
**Email Address:**

**Person responsible for financial information contained in report**

---

**Name:** MR LEE A. LAPPIN  
**Title:** CONTROLLER

**Office Address:** 53 NORTH STEVENS STREET  
P.O. BOX 340  
RHINELANDER, WI 54501-0340

**Fax Number:** (715) 369 - 2628  
**Telephone Number:** (715) 365 - 7777  
**Email Address:** lalap@newnorth.net

**Person responsible for statistical information contained in report**

---

**Name:** MR LEE A. LAPPIN  
**Title:** CONTROLLER

**Office Address:** 53 NORTH STEVENS STREET  
P.O. BOX 340  
RHINELANDER, WI 54501-0340

**Fax Number:** (715) 369 - 2628  
**Telephone Number:** (715) 365 - 7777  
**Email Address:** lalap@newnorth.net

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**IDENTIFICATION AND OWNERSHIP**

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**List names, addresses, and number of shares held by persons owning 5 percent or more of outstanding voting securities. If any stock is held by a nominee, give known particulars as to the beneficial owner (See Wis. Stat. § 196.795(1)(c), for definition of beneficial owner).**

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**Name:** RHINELANDER TELECOMMUNICATIONS, INC.  
**Address:** 53 NORTH STEVENS STREET  
PO BOX 340  
RHINELANDER, WI 54501-0340

**Number of Shares Held:** 300

**Beneficial Owner:** NONE

**INCOME STATEMENT - TOTAL COMPANY**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Operating Revenues (5000-5300)	2,434,917	2,773,114	<b>1</b>
<b>Operating Expenses</b>			
Plant Specific Operations Expense (6110-6410)	256,246	250,852	<b>2</b>
Plant Nonspecific Operations Expense	659,878	1,328,652	<b>3</b>
Customer Operations Expense (6610-6620)	302,926	336,382	<b>4</b>
Corporate Operations Expense (6710-6790)	206,380	247,807	<b>5</b>
Other Operating Income and Expense (7100)	0	0	<b>6</b>
Operating Taxes (7200)	402,580	253,781	<b>7</b>
<b>Total Operating Expenses</b>	<b>1,828,010</b>	<b>2,417,474</b>	<b>8</b>
<b>Net Operating Income</b>	<b>606,907</b>	<b>355,640</b>	<b>9</b>
<b>Other Income</b>			
Nonoperating Income and Expense (7300)	64,229	85,065	<b>10</b>
Nonoperating Taxes (7400)	25,422	29,029	<b>11</b>
Interest and Related Items (7500)	160,080	166,194	<b>12</b>
Extraordinary Items (7600)	0	0	<b>13</b>
Nonregulated Net Income (7990)	(7,444)	(630)	<b>14</b>
<b>Total Nonoperating Income</b>	<b>(128,717)</b>	<b>(110,788)</b>	<b>15</b>
<b>Net Income</b>	<b>478,190</b>	<b>244,852</b>	<b>16</b>

**NOTES TO INCOME STATEMENT OR BALANCE SHEET**

In the space provided below, disclose all material information not included elsewhere in this report that is necessary to make the financial statements clear and understandable. Included should be:

- 
1. A summary of significant accounting policies. (The summaries should disclose, but not be limited to, the utility's accounting policies with regard to pension cost, unbilled revenues, depreciation, and income taxes.)

**NONE.**

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2. A summary of significant contingent assets and liabilities existing at year end, including a brief explanation of any action initiated by the Internal Revenue Service, Wisconsin Department of Revenue, or the utility involving a possible assessment or refund of taxes.

**NONE.**

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3. The notes should include an explicit and precise explanation of any retained earnings restrictions and should state the amount of retained earnings affected by such restrictions.

**THE MORTGAGE TO THE UNITED STATES OF AMERICA, UNDERLYING THE RUS AND RTB NOTES, CONTAINS CERTAIN RESTRICTIONS ON THE DECLARATION OR PAYMENT OF CASH DIVIDENDS, REDEMPTIONS OF CAPITAL STOCK OR INVESTMENT IN AFFILIATED COMPANIES EXCEPT AS MIGHT BE SPECIFICALLY AUTHORIZED IN WRITING IN ADVANCE BY THE RUS AND RTB NOTEHOLDERS.**

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>CURRENT ASSETS</b>			
<b>CASH AND EQUIVALENTS</b>			
Cash and Equivalents (1120)*			1
Cash (1130)	330,903	142,209	2
Special Cash Deposits (1140)			3
Working Cash Advances (1150)	500	500	4
Temporary Investments (1160)	186,979	90,841	5
<b>TOTAL CASH AND EQUIVALENTS</b>	<b>518,382</b>	<b>233,550</b>	
<b>RECEIVABLES AND ALLOWANCES FOR DOUBTFUL ACCOUNTS</b>			
Telecommunications Accounts Receivable (1180)*	32,437	15,186	6
Accounts Receivable Allowance-Telecom (1181)*			7
<b>Net: Telecommunications Accounts Receivable</b>	<b>32,437</b>	<b>15,186</b>	
Other Accounts Receivable (1190)*	333,374	392,080	8
Accounts Receivable Allowance--Other (1191)*			9
<b>Net: Other Accounts Receivable</b>	<b>333,374</b>	<b>392,080</b>	
Notes Receivable (1200)*	0	0	10
Notes Receivable Allowance (1201)*	0	0	11
<b>Net: Notes Receivable</b>	<b>0</b>	<b>0</b>	
Interest and Dividends Receivable (1210)*			12
<b>TOTAL RECEIVABLES AND ALLOWANCES FOR DOUBTFUL</b>	<b>365,811</b>	<b>407,266</b>	
<b>SUPPLIES</b>			
Inventories (1220)*	39,433	36,078	13
<b>TOTAL SUPPLIES</b>	<b>39,433</b>	<b>36,078</b>	
<b>PREPAYMENTS</b>			
Total Prepayments (1280)*			14
Prepaid Rents (1290)			15
Prepaid Taxes (1300)	118,314	20,336	16
Prepaid Insurance (1310)			17
Prepaid Directory Expenses (1320)			18
Other Prepayments (1330)	7,939	14,003	19
<b>TOTAL PREPAYMENTS</b>	<b>126,253</b>	<b>34,339</b>	
<b>OTHER CURRENT ASSETS</b>			
Other Current Assets (1350)*			20
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>0</b>	<b>0</b>	
<b>TOTAL CURRENT ASSETS</b>	<b>1,049,879</b>	<b>711,233</b>	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Investment in Affiliated Companies (1401)*	0	0	21
Investments in Nonaffiliated Companies (1402)*	334,765	334,765	22
Nonregulated Investments (1406)*	96,333	120,324	23
Unamortized Debt Issuance Expense (1407)*	2,807	3,077	24
Sinking Funds (1408)*	0	0	25

**BALANCE SHEET - ASSETS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

Particulars (a)	Balance--EOY (b)	Balance--FOY (c)	
<b>NONCURRENT ASSETS</b>			
<b>INVESTMENTS</b>			
Other Noncurrent Assets (1410)*	1,738	2,102	26
<b>TOTAL INVESTMENTS</b>	<b>435,643</b>	<b>460,268</b>	
<b>DEFERRED CHARGES</b>			
Deferred Tax Regulatory Asset (1437)*	0	0	27
Deferred Maintenance and Retirements (1438)*	0	0	28
Deferred Charges (1439)*	29,812	37,625	29
<b>TOTAL DEFERRED CHARGES</b>	<b>29,812</b>	<b>37,625</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>465,455</b>	<b>497,893</b>	
<b>PLANT</b>			
<b>TELECOMMUNICATIONS PLANT IN SERVICE</b>			
Telecommunications Plant in Service (2001)*	9,977,377	9,605,832	30
Less: Accumulated Depreciation (3100)*	4,079,679	3,529,541	31
Less: Accumulated Amortization--Capitalized Leases (3410)*			32
Less: Accumulated Amortization--Leasehold Improvements (3420)*			33
Less: Accumulated Amortization--Intangible (3500)*			34
<b>NET TELECOMMUNICATIONS PLANT IN SERVICE</b>	<b>5,897,698</b>	<b>6,076,291</b>	
<b>PROPERTY HELD FOR FUTURE USE</b>			
Prop. Held for Future Telecommun. Use (2002)*			35
Less: Accumulated Depreciation--Held for Future Telecommunications Use (3200)*			36
<b>NET PROPERTY HELD FOR FUTURE USE</b>	<b>0</b>	<b>0</b>	
<b>NONOPERATING PLANT</b>			
Nonoperating Plant (2006)*			37
Less: Accumulated Depreciation--Nonoperating (3300)*			38
<b>NET NONOPERATING PLANT</b>	<b>0</b>	<b>0</b>	
<b>TPUC</b>			
TPUC (2003)*	42,288	11,544	39
<b>TOTAL TPUC</b>	<b>42,288</b>	<b>11,544</b>	
<b>TELECOMMUNICATIONS PLANT ADJUSTMENT</b>			
Telecommunications Plant Adjustment (2005)*			40
Less: Accumulated Amortization--Other (3600)*			41
<b>NET TELECOMMUNICATIONS PLANT ADJUSTMENT</b>	<b>0</b>	<b>0</b>	
<b>TOTAL PLANT</b>	<b>5,939,986</b>	<b>6,087,835</b>	
<b>TOTAL ASSETS AND OTHER DEBITS*</b>	<b>7,455,320</b>	<b>7,296,961</b>	

**BALANCE SHEET - LIABILITIES (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>Balance--EOY (b)</b>	<b>Balance--FOY (c)</b>	
<b>CURRENT LIABILITIES</b>			
Accounts Payable (4010)*	217,284	137,627	1
Notes Payable (4020)*	0	0	2
Advance Billing and Payments (4030)*			3
Customer Deposits (4040)*			4
Current Maturities--Long-Term Debt (4050)*	132,374	132,374	5
Current Maturities--Capital Leases (4060)*			6
Income Taxes--Accrued (4070)*			7
Other Taxes--Accrued (4080)*	(8,868)	38	8
Net Current Deferred Operating Income Taxes (4100)*	0	0	9
Net Current Deferred Nonoperating Income Taxes (4110)*			10
Other Accrued Liabilities (4120)*	36,925	44,040	11
Other Current Liabilities (4130)*			12
<b>TOTAL CURRENT LIABILITIES*</b>	<b>377,715</b>	<b>314,079</b>	
<b>LONG-TERM DEBT</b>			
Funded Debt (4210)*	2,891,761	3,024,247	13
Premium on Long-Term Debt (4220)*			14
Discount on Long-Term Debt (4230)*			15
Reacquired Debt (4240)*	0	0	16
Obligations Under Capital Leases (4250)*			17
Advances from Affiliated Companies (4260)*	0	0	18
Other Long-Term Debt (4270)*	0	0	19
<b>TOTAL LONG-TERM DEBT*</b>	<b>2,891,761</b>	<b>3,024,247</b>	
<b>OTHER LIABILITIES AND DEFERRED CREDITS</b>			
Other Long-Term Liabilities (4310)*			20
Unamortized Operating ITC--Net (4320)*	25,030	50,062	21
Unamortized Nonoperating ITC--Net (4330)*			22
Net Noncurrent Deferred Operating Income Taxes (4340)*	562,166	517,886	23
Net Deferred Tax Liability Adjustments (4341)*	(32,696)	(32,696)	24
Net Noncurrent Deferred Nonoperating Income Taxes (4350)*			25
Other Deferred Credits (4360)*	114,631	134,860	26
Deferred Tax Regulatory Liability (4361)*	32,696	32,696	27
<b>TOTAL OTHER LIABILITIES AND DEFERRED CREDITS*</b>	<b>701,827</b>	<b>702,808</b>	
<b>STOCKHOLDERS' EQUITY</b>			
Capital Stock (4510)*	7,500	7,500	28
Additional Paid-in Capital (4520)*			29
Treasury Stock (4530)*	0	0	30
Other Capital (4540)*			31
Retained Earnings (4550)*	3,476,517	3,248,327	32
<b>TOTAL STOCKHOLDERS' EQUITY*</b>	<b>3,484,017</b>	<b>3,255,827</b>	
<b>TOTAL LIABILITIES AND OTHER CREDITS*</b>	<b>7,455,320</b>	<b>7,296,961</b>	



**STATEMENT OF CASH FLOWS**

Item (a)	Amount (b)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Income	478,190	1
<b>Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:</b>		
Depreciation and amortization	585,486	2
Interest during construction	0	3
<b>Changes in assets and liabilities:</b>		
Current assets (net)	(53,814)	4
Other noncurrent assets	7,908	5
Other current liabilities	63,636	6
Other liabilities and deferred credits	(981)	7
<b>Other (specify):</b>		
<b>TOTAL ADJUSTMENTS</b>	<b>602,235</b>	
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES (NET INCOME &amp; ADJUST.)</b>	<b>1,080,425</b>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
<b>Capital Expenditures:</b>		
Changes in plant (net)	(437,637)	8
Investments in affiliated companies	0	9
Nonoperating Investments	23,991	10
<b>Other (specify):</b>		
<b>NET CASH USING IN INVESTING ACTIVITIES</b>	<b>(413,646)</b>	
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Change in capital lease obligations (net)	0	11
Change in long-term debt (net)	(131,947)	12
Net changes in stockholder equity other than retained earnings	0	13
Change in short term borrowing (net)	0	14
Dividends paid	(250,000)	15
Miscellaneous debits/credits to retained earnings	0	16
<b>Other (specify):</b>		
<b>Net Cash Provided by Financing Activities</b>	<b>(381,947)</b>	
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>284,832</b>	
Cash and cash equivalents at beginning of year (Accts. 1130-1160 for Class A; 1120 for Class B)		
Cash and cash equivalents at end of year (Accts. 1130-1160 for Class A; 1120 for Class B)		

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**IMPORTANT CHANGES DURING THE YEAR**

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1. Give the name and address of all companies which during the year came under the direct control of the respondent otherwise than through title to securities, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**NONE.**

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2. Give the name and address of all companies which during the year came under the indirect control of the respondent through non-reporting intermediaries, stating whether such control is sole or joint, how control was established, names of other parties to a joint agreement for control, the extent of control exercised by each party, the name and address of the intermediary through which the indirect control exists, and any other pertinent data requisite to a clear understanding of the arrangements relating to control (See Section 32.9000 of the Uniform System of Accounts). Where important details relating to control of a company have changed, give particulars. If during the year a company ceased to be controlled by the respondent, its name and a statement of fact will be sufficient.

**NONE.**

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3. Important leaseholds acquired, given, assigned or surrendered, giving effective dates, lengths of terms, names of parties, rents, and other conditions.

**NONE.**

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4. List extension of system (other than additions supplementing existing facilities of the respondent) whether by purchase, construction, donation, or otherwise, such as a substantially complete telephone system, exchange or toll line. Give the location, new territory covered, and dates of beginning operation, and in case of purchase give also the name and address of the company from which purchased, date of acquisition, the consideration given, and reference to Commission authorization.

**NONE.**

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5. Estimated increase or decrease in annual revenues due to important rate changes, giving bases of estimates.

**NONE.**

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6. Obligation incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, excluding ordinary commercial paper maturing on demand or not later than one year after date of issue.

**NONE.**

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7. Changes in articles of incorporation or amendments to charter.

**NONE.**

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8. Additional matters of fact (not elsewhere provided for) which respondent may desire to include in its report.

**DURING 1998, THE STOCK OF RHINELANDER TELECOMMUNICATIONS, INC. (PARENT) WAS ACQUIRED BY CITIZENS UTILITIES COMPANY.**

**AFFILIATE ABBREVIATIONS**

In column (b) provide the abbreviation for the name of the affiliate shown in column (a). Limit abbreviations to 10 characters or less. Use these abbreviations when completing the affiliated interest schedules. Insert "Other" in the Abbreviations column if the activity to be reported for a particular record in the Affiliated Interest Transactions or Affiliated Assets and Liabilities schedule represents an aggregation of activity not exceeding the dollar or percentage limits set forth in the header of that schedule.

<b>Name of Affiliate (a)</b>	<b>Abbreviations (b)</b>	
HEADWATERS TELEPHONE COMPANY	HDWTRS	<b>1</b>
RHINELANDER TELEPHONE COMPANY	RHLNDR	<b>2</b>
RHINELANDER TELECOMMUNICATIONS, INC.	RTI	<b>3</b>

**AFFILIATED INTEREST TRANSACTIONS**

Provide a summary of transactions under established affiliated interest contracts and arrangements (see Wis. Stat. § 196.52, for "affiliated interest" definitions). Use the space below to report transactions with individual affiliates and multiple affiliated interest agreements or, at the utility's option, with individual affiliates and a single agreement. Activity associated with affiliated contracts or arrangements not in excess of \$25,000 or 5 percent of the equity of the utility, whichever is smaller, may be aggregated in a single record. For utilities whose intrastate gross operating revenues of the previous year exceeded \$100,000,000, individual contracts or arrangements not exceeding \$100,000 may be aggregated in a single record. Where an affiliate is both providing and receiving service use one record to show billings to and a second record for billings from. When billings to or from an affiliate are recorded on the books of the utility, the records underlying such billings shall be sufficient to show all the detail maintained to identify the associated accounts related to the billing and categorize billings according to the account categories shown below.

<b>Particulars</b>	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>	<b>(d)</b>	<b>(e)</b>	
Docket		None	1410-AT-001001			
Name of Affiliate		HDWTRS	RHLNDR			1
Designate whether billed to or from:		TO	FROM			2
Cost Based (C), Market Price (M), Prevailing Price (P), Tariff (T), Other (O)		C	C			3
Revenues						4
<b>Expenses:</b>						
Plant Specific Operations Expense						5
Plant Nonspecific Operations Expense						6
Customer Operations Expense						7
Corporate Operations Expense						8
<b>Total Operating Expenses</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	9
<b>Other:</b>						
Plant Accounts						10
Accumulated Depreciation						11
Accumulated Amortization						12
Clearing						13
All Other		4,610				14
<b>Total</b>		<b>4,610</b>	<b>0</b>	<b>0</b>	<b>0</b>	15
Percent of affiliate's business billed to all affiliated regulated utilities						16
If cost based, rate of return on equity or markup incorporated in billings						17
Footnotes						

**AFFILIATED ASSETS AND LIABILITIES**

This schedule should be used to report affiliated activity concerning balances at the end of the year for the following accounts: 1120, Cash and Equivalents; 1160, Temporary Investments; 1180, Telecommunications Accounts Receivable; 1190, Other Accounts Receivable; 1210, Interest and Dividends Receivable; 1401, Investment in Affiliated Companies; 4010, Accounts Payable; and 4260, Advances from Affiliated Companies. Amounts at the end of the year for each affiliate should be identified by respective affiliate and account number. Report information below consecutively by respective account number; affiliated amounts of less than \$5,000 may be reported in aggregate as "other" for a particular account. Affiliated amounts recorded in accounts 1200, Notes Receivable, 1408, Sinking Funds, and 4020, Notes Payable, should not be reported in this schedule, but rather in the respective schedules contained elsewhere in this report.

<b>Name of Affiliate (a)</b>	<b>Account Number (b)</b>	<b>Balance EOY (c)</b>	
HEADWATERS TELEPHONE COMPANY	1190	(4,298)	<b>1</b>
RHINELANDER TELEPHONE COMPANY	1190	(43,722)	<b>2</b>
RHINELANDER TELECOMMUNICATIONS, INC.	1190	(45,592)	<b>3</b>

**ACCOUNTS RECEIVABLE NET WRITE OFFS - TELECOMMUNICATIONS**

This schedule should be used to report accounts receivable net write off activity.

<b>Particulars (a)</b>	<b>Amount (b)</b>	
Collection of amounts previously written off	19,257	<b>1</b>
Uncollectibles written off during the year	25,849	<b>2</b>
<b>Net write offs during the year</b>	<b>6,592</b>	

# **NOTES RECEIVABLE (ACCT. 1200) AND ALLOWANCES (ACCT. 1201)**

For affiliates, list by issue or note by affiliate. Other, list by issue or note by entity. Separately identify economic development loans and associated particulars.

<b>Name of Maker and purpose (a)</b>	<b>Issue Date (b)</b>	<b>Maturity (c)</b>	<b>Interest Rate (d)</b>	<b>Amount EOY (e)</b>	<b>Allowance Acct. 1201 (f)</b>
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NONE

<b>Total</b>				<u><u>0</u></u>	<u><u>0</u></u>	<b>1</b>
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# **INVESTMENTS IN NONAFFILIATED COMPANIES (ACCT. 1402)**

Name (a)	Balance EOY (b)	
RTB Class B Stock	23,550	1
<b>Other:</b>		
CELLULAR PARTNERSHIP - RSA #3	311,215	2
<b>Total Investments in Nonaffiliated Companies</b>	<b>334,765</b>	



**NONREGULATED INVESTMENTS (ACCT. 1406)**

Report below the name and end-of-year balance of total net investment and inventory (accts. 1406.10, 1406.11 and 1406.12) for each nonregulated activity. Telephone utilities not subject to dual jurisdiction should report materials and supplies held for resale in account 1406.

<b>Name (a)</b>	<b>Balance EOY (b)</b>	
<b>Total Net Investment and Inventory ( Accts. 1406.10, 1406.11, and 1406.12 ):</b>		
CUSTOMER PROVIDED EQUIPMENT (CPE)	9,644	<b>1</b>
MATERIALS AND SUPPLIES	35,167	<b>2</b>
PAGING EQUIPMENT	50,671	<b>3</b>
PAYPHONE EQUIPMENT	851	<b>4</b>

**DEFERRED MAINTENANCE AND RETIREMENTS (ACCT. 1438)**

List items individually by Commission approval noting the date of approval.

Description of Item (a)	Balance EOY (b)
NONE	
<b>Total</b>	<b>0</b>

1

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
<b>GENERAL SUPPORT ASSETS</b>				
Land	2111	30,362	0	1 A
Motor Vehicles	2112	144,950	27,219	2
Aircraft	2113	0		3
Special Purpose Vehicles	2114	0		4
Garage Work Equipment	2115	0		5
Other Work Equipment	2116	177,700	85,239	6
Buildings	2121	769,829	59	7 A
Furniture	2122	15,507	2,105	8
Office Equipment	2123	36,346	0	9
General Purpose Computers	2124	55,477	12,952	10
<b>TOTAL--GENERAL SUPPORT ASSETS:</b>		<b>1,230,171</b>	<b>127,574</b>	
<b>CENTRAL OFFICE ASSETS</b>				
Analog Electronic Switching	2211	0		11
Digital Electronic Switching	2212	763,499	44,845	12 A
Electro-Mechanical Switching	2215	0	0	13
Operator Systems	2220	0		14
Radio Systems	2231	0	0	15
Circuit Equipment	2232	1,203,426	11,569	16 A
<b>TOTAL--CENTRAL OFFICE ASSETS:</b>		<b>1,966,925</b>	<b>56,414</b>	
<b>INFORMATION ORIGATION/TERMINATION ASSETS</b>				
Station Apparatus	2311	0		17
Customer Premises Wiring	2321	0		18
Large Private Branch Exchanges	2341	0		19
Public Telephone Terminal Equipment	2351	0		20
Other Terminal Equipment	2362	1,722		21
<b>TOTAL--INFORMATION ORIG/TERM ASSETS:</b>		<b>1,722</b>	<b>0</b>	
<b>CABLE WIRE FACILITIES ASSETS</b>				
Poles	2411	0		22
Aerial Cable	2421	0	0	23
Underground Cable	2422	444,549	0	24
Buried Cable	2423	5,327,257	277,667	25
Submarine Cable	2424	0	0	26
Deep Sea Cable	2425	0		27
Intrabuilding Network Cable	2426	0	0	28
Aerial Wire	2431	0		29
Conduit Systems	2441	635,208		30
<b>TOTAL--CABLE WIRE FACILITIES ASSETS:</b>		<b>6,407,014</b>	<b>277,667</b>	
<b>AMORTIZABLE ASSETS</b>				
Capital Leases	2681	0		31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2111	0	(6,499)	23,863	1 A
2112	33,939		138,230	2
2113			0	3
2114			0	4
2115			0	5
2116	41,329		221,610	6
2121		6,499	776,387	7 A
2122			17,612	8
2123	0	0	36,346	9
2124			68,429	10
	<b>75,268</b>	<b>0</b>	<b>1,282,477</b>	
2211			0	11
2212	0	(47,102)	761,242	12 A
2215	0	0	0	13
2220			0	14
2231	0	0	0	15
2232	330	47,102	1,261,767	16 A
	<b>330</b>	<b>0</b>	<b>2,023,009</b>	
2311		0	0	17
2321			0	18
2341			0	19
2351			0	20
2362			1,722	21
	<b>0</b>	<b>0</b>	<b>1,722</b>	
2411			0	22
2421	0	0	0	23
2422	0	0	444,549	24
2423	14,512	0	5,590,412	25
2424	0	0	0	26
2425			0	27
2426	0	0	0	28
2431			0	29
2441			635,208	30
	<b>14,512</b>	<b>0</b>	<b>6,670,169</b>	
2681			0	31

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B**

<b>Plant Account (a)</b>	<b>Account (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>
<b>AMORTIZABLE ASSETS</b>			
Leasehold Improvements	2682	0	<b>32</b>
Intangibles	2690	0	<b>33</b>
<b>TOTAL--AMORTIZABLE ASSETS:</b>		<b>0</b>	<b>0</b>
<b>TOTAL TELECOM. PLANT IN SERVICE</b>	<b>2001</b>	<b>9,605,832</b>	<b>461,655</b>
Less: Allocation to Nonregulated Activity - EOY	2001		<b>34</b>
<b>NET REG. TOTAL TELE. PLANT IN SERV. - EOY</b>	<b>2001</b>		

Explain all amounts shown in column (g).

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2682			0	32
2690			0	33
	0	0	0	
	90,110	0	9,977,377	
2001			0	34
			9,977,377	

**TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)**

Report telecommunications plant data for each subaccount where primary plant accounts have subclassifications. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone plant at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subaccount (b)</b>	<b>Balance FOY (c)</b>	<b>Additions (d)</b>	
Office Support Equipment	2123.1	31,460	0	<b>1</b>
Company Communications Equipment	2123.2	4,886	0	<b>2</b>
Software	2212.1	0		<b>3</b>
Digital Switching - Central Office	2212.2	763,499	44,845	<b>4 A</b>
Digital Switching - Remote	2212.3	0		<b>5</b>
Step by Step Switching	2215.1	0		<b>6</b>
Crossbar Switching	2215.2	0		<b>7</b>
Satellite and Earth Station Facilities	2231.1	0		<b>8</b>
Other Radio Facilities	2231.2	0		<b>9</b>
Digital Circuit Equipment	2232.1	1,022,263	10,957	<b>10 A</b>
Analog Circuit Equipment	2232.2	0		<b>11</b>
Light Wave Circuit Equipment	2232.3	181,163	612	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0		<b>13</b>
Aerial Cable - Metallic	2421.2	0		<b>14</b>
Underground Cable - Nonmetallic	2422.1	126,601	0	<b>15</b>
Underground Cable - Metallic	2422.2	317,948	0	<b>16</b>
Buried Cable - Nonmetallic	2423.1	512,851	75,939	<b>17</b>
Buried Cable - Metallic	2423.2	4,814,406	201,728	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0		<b>19</b>
Submarine Cable - Metallic	2424.2	0		<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0		<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0		<b>22</b>

Explain all amounts shown in column (g).

# **TELECOMMUNICATIONS PLANT IN SERVICE CLASS A & B (SUB-CLASS ACCOUNTS)** **(cont.)**

<b>Subaccount (e)</b>	<b>Retirements (f)</b>	<b>Transfers / Adjustments (g)</b>	<b>Balance EOY (h)</b>	
2123.1	0		31,460	1
2123.2	0		4,886	2
2212.1			0	3
2212.2	0	(47,102)	761,242	4 A
2212.3			0	5
2215.1			0	6
2215.2			0	7
2231.1			0	8
2231.2			0	9
2232.1	330	47,102	1,079,992	10 A
2232.2			0	11
2232.3	0	0	181,775	12
2421.1			0	13
2421.2			0	14
2422.1	0	0	126,601	15
2422.2	0	0	317,948	16
2423.1	0	0	588,790	17
2423.2	14,512		5,001,622	18
2424.1			0	19
2424.2			0	20
2426.1			0	21
2426.2			0	22



**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>GENERAL SUPPORT ASSETS</b>					
Motor Vehicles	2112	117,051	20.0	6,934	1
Aircraft	2113	0			2
Special Purpose Vehicles	2114	0			3
Garage Work Equipment	2115	0			4
Other Work Equipment	2116	173,705	10.0	10,026	5
Buildings	2121	319,520	3.33	25,681	6
Furniture	2122	15,507	10.0	432	7
Office Equipment	2123	34,262	20.0	977	8
General Purpose Computers	2124	51,660	25.0	15,512	9
<b>Total-- GENERAL SUPPORT ASSETS</b>		<b>711,705</b>		<b>59,562</b>	<b>0</b>
<b>CENTRAL OFFICE ASSETS</b>					
Analog Electronic Switching	2211	0			10
Digital Electronic Switching	2212	155,353	7.85	56,760	11
Electro-Mechanical Switching	2215	0			12
Operator Systems	2220	0			13
Radio Systems	2231	0			14
Circuit Equipment	2232	666,154	12.0	147,410	15
<b>Total-- CENTRAL OFFICE ASSETS</b>		<b>821,507</b>		<b>204,170</b>	<b>0</b>
<b>INFORMATION ORIG/TERM ASSETS</b>					
Station Apparatus	2311	0			16
Customer Premises Wiring	2321	0			17
Large Private Branch Exchanges	2341	0			18
Public Telephone Terminal Equipment	2351	0			19
Other Terminal Equipment	2362	1,410	13.57	234	20
<b>Total-- INFORMATION ORIG/TERM ASSETS</b>		<b>1,410</b>		<b>234</b>	<b>0</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Poles	2411	0			21
Aerial Cable	2421	0			22
Underground Cable	2422	149,349	4.74	21,050	23
Buried Cable	2423	1,682,596	5.25	279,054	24
Submarine Cable	2424	0			25
Deep Sea Cable	2425	0			26
Intrabuilding Network Cable	2426	0			27
Aerial Wire	2431	0			28

**ACCUMULATED DEPRECIATION CLASS A & B**

<b>Primary Plant Account (a)</b>	<b>Acct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
<b>CABLE WIRE FACILITIES ASSETS</b>					
Conduit Systems	2441	162,974	3.48	22,105	<b>29</b>
<b>Total-- CABLE WIRE FACILITIES ASSETS</b>		<b>1,994,919</b>		<b>322,209</b>	<b>0</b>
<b>Total Accumulated Depreciation</b>	<b>3100</b>	<b>3,529,541</b>		<b>586,175</b>	<b>0</b>
Less: Allocation to Nonregulated Activity - Columns e, f and I	3100				<b>30</b>
<b>Net Regulated Total Accum Depreciation - 3100 Columns e, f and I</b>					

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2112	33,939		13,834		103,880	1
2113					0	2
2114					0	3
2115					0	4
2116	41,329		6,300		148,702	5
2121					345,201	6
2122					15,939	7
2123	0				35,239	8
2124					67,172	9
	<b>75,268</b>	<b>0</b>	<b>20,134</b>	<b>0</b>	<b>716,133</b>	
2211					0	10
2212	0	(2,641)	31,928		246,682	11
2215	0				0	12
2220					0	13
2231	0				0	14
2232	330				813,234	15
	<b>330</b>	<b>(2,641)</b>	<b>31,928</b>	<b>0</b>	<b>1,059,916</b>	
2311					0	16
2321					0	17
2341					0	18
2351					0	19
2362					1,644	20
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,644</b>	
2411					0	21
2421	0				0	22
2422	0				170,399	23
2423	14,512	671	41		1,946,508	24
2424	0				0	25
2425					0	26
2426	0				0	27
2431					0	28

**ACCUMULATED DEPRECIATION CLASS A & B (cont.)**

<b>Acct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2441					185,079	29
	14,512	671	41	0	2,301,986	
<b>3100</b>	<b>90,110</b>	<b>(1,970)</b>	<b>52,103</b>	<b>0</b>	<b>4,079,679</b>	
3100						30
<b>3100</b>						

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS)**

Where subclassifications of primary plant accounts are used, report below the accumulated depreciation details for each subaccount. Amounts pertaining to subaccount 2212.4, Test Equipment, should be reported in account 2212.2, Digital Switching - Central Office; amounts for subaccounts 2231.3, Microwave, 2231.4, Cellular, 2231.5, Mobile Radio, and 2231.6, Paging, should be included in 2231.2, Other Radio Facilities; amounts pertaining to subaccounts 2232.4, Digital Data Services, 2232.5, Digital Circuit - Subscriber, 2232.6, Digital Circuit - Trunk - Toll, and 2232.7, Concentrators, should be reported in 2232.1, Digital Circuit Equipment. Any other separate accounting for telephone accumulated depreciation at an individual telephone company should be consolidated and reported in the primary accounts as defined in the uniform system of accounts.

<b>Plant Subaccount (a)</b>	<b>Subacct (b)</b>	<b>Balance FOY (c)</b>	<b>Depr Rate (d)</b>	<b>Annual Accrual (e)</b>	<b>Additional Accrual (f)</b>
Office Support Equipment	2123.1	31,460	20.0		<b>1</b>
Company Communications Equipment	2123.2	2,802	20.0	977	<b>2</b>
Software	2212.1	0			<b>3</b>
Digital Switching - Central Office	2212.2	155,353	7.85	56,760	<b>4</b>
Digital Switching - Remote	2212.3	0			<b>5</b>
Step by Step Switching	2215.1	0			<b>6</b>
Crossbar Switching	2215.2	0			<b>7</b>
Satellite and Earth Station Facilities	2231.1	0			<b>8</b>
Other Radio Facilities	2231.2	0			<b>9</b>
Digital Circuit Equipment	2232.1	610,264	12.0	130,182	<b>10</b>
Analog Circuit Equipment	2232.2	0			<b>11</b>
Light Wave Circuit Equipment	2232.3	55,890	9.5	17,228	<b>12</b>
Aerial Cable - Nonmetallic	2421.1	0			<b>13</b>
Aerial Cable - Metallic	2421.2	0			<b>14</b>
Underground Cable - Nonmetallic	2422.1	13,390	4.07	5,152	<b>15</b>
Underground Cable - Metallic	2422.2	135,959	5.0	15,898	<b>16</b>
Buried Cable - Nonmetallic	2423.1	79,027	4.57	24,198	<b>17</b>
Buried Cable - Metallic	2423.2	1,603,569	5.25	254,856	<b>18</b>
Submarine Cable - Nonmetallic	2424.1	0			<b>19</b>
Submarine Cable - Metallic	2424.2	0			<b>20</b>
Intrabuilding Cable - Nonmetallic	2426.1	0			<b>21</b>
Intrabuilding Cable - Metallic	2426.2	0			<b>22</b>

**ACCUMULATED DEPRECIATION CLASS A & B (SUB-CLASS ACCOUNTS) (cont.)**

<b>Subacct (g)</b>	<b>Retired (h)</b>	<b>Cost of Removal (i)</b>	<b>Salvage (j)</b>	<b>Other (k)</b>	<b>Balance EOY (l)</b>	
2123.1	0				<b>31,460</b>	<b>1</b>
2123.2	0				<b>3,779</b>	<b>2</b>
2212.1					<b>0</b>	<b>3</b>
2212.2	0	(2,641)	31,928		<b>246,682</b>	<b>4</b>
2212.3					<b>0</b>	<b>5</b>
2215.1					<b>0</b>	<b>6</b>
2215.2					<b>0</b>	<b>7</b>
2231.1					<b>0</b>	<b>8</b>
2231.2					<b>0</b>	<b>9</b>
2232.1	330				<b>740,116</b>	<b>10</b>
2232.2					<b>0</b>	<b>11</b>
2232.3	0				<b>73,118</b>	<b>12</b>
2421.1					<b>0</b>	<b>13</b>
2421.2					<b>0</b>	<b>14</b>
2422.1	0				<b>18,542</b>	<b>15</b>
2422.2	0				<b>151,857</b>	<b>16</b>
2423.1	0				<b>103,225</b>	<b>17</b>
2423.2	14,512	671	41		<b>1,843,283</b>	<b>18</b>
2424.1					<b>0</b>	<b>19</b>
2424.2					<b>0</b>	<b>20</b>
2426.1					<b>0</b>	<b>21</b>
2426.2					<b>0</b>	<b>22</b>

## NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361)

This schedule should be used to report the deferred operating income tax portion of the stated accounts. In addition, column (e) of this schedule should be used to report the flowback of property related excess deferred taxes (e.g., 46 percent versus 34 percent federal tax rates). Credit amounts should be shown in ( ).

Particulars (a)	Balance FOY (b)	
<b>PROPERTY RELATED</b>		
Other Current Assets (1350)	0	1
Other Noncurrent Assets (1410)	0	2
Deferred Tax Regulatory Asset (1437)	0	3
Net Current Deferred Operating Income Taxes (4100)	0	4
Net Noncurrent Deferred Operating Income Taxes (4340)	(633,328)	5 J
Net Deferred Tax Liability Adjustments (4341)	32,696	6
Deferred Tax Regulatory Liability (4361)	(32,696)	7
<b>Net Property Related Deferred Operating Income Taxes</b>	<b>(633,328)</b>	
Less: Allocation to Nonregulated Activity	0	8
<b>Net Regulated Total Property Related Deferred Operating Income Taxes</b>	<b>(633,328)</b>	
<b>NONPROPERTY RELATED</b>		
Other Current Assets (1350)	0	9
Other Noncurrent Assets (1410)	0	10
Deferred Tax Regulatory Asset (1437)	0	11
Net Current Deferred Operating Income Taxes (4100)	0	12
Net Noncurrent Deferred Operating Income Taxes (4340)	115,442	13
Net Deferred Tax Liability Adjustments (4341)	0	14
Deferred Tax Regulatory Liability (4361)	0	15
<b>Total Nonproperty Related Deferred Operating Income Taxes</b>	<b>115,442</b>	

**NET DEFERRED OPERATING INCOME TAXES (ACCT. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) (cont.)**

Acct (c)	Current Year Accrual (d)	Current Year Amortization (e)	Adjustments Debit or (Credit) (f)	Balance EOY (g)	
7250				0	1
7250				0	2
				0	3
7250				0	4
7250			(44,280)	(677,608)	5 J
				32,696	6
				(32,696)	7
	0	0	(44,280)	(677,608)	
				0	8
	0	0	(44,280)	(677,608)	
7250				0	9
7250				0	10
				0	11
7250				0	12
7250				115,442	13
				0	14
				0	15
	0	0	0	115,442	



### NOTES PAYABLE (ACCT. 4020)

For affiliate, list note by affiliate. For a particular affiliate, the identical affiliate name, as shown in the Affiliate Abbreviations schedule, should be reported in this schedule. For other, list by note by entity.

Name (a)	Issue Date (b)	Maturity (c)	Interest Rate (d)	Balance EOY (e)
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NONE

<b>Total Notes Payable</b>	<u><u>0</u></u>	<b>1</b>
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**LONG-TERM DEBT**

Report data requested and show total for each long-term debt account at end of year. Information concerning the following debt issues may be reported on individual lines in aggregate: REA/RTB 2%, REA/RTB 5%, & REA/RTB 7%. In addition, REA/RTB and FFB debt, respectively, within a range of 200 basis points may also be reported in aggregate on individual lines. If reported in aggregate, a range of dates may be reported in columns (b) and (c) as well as a range of interest rates in column (d) and a composite interest rate in column (e). If aggregation is not utilized, column (e) should contain the same interest rate as reported in column (d). For account 4050 report only the amount of debt anticipated to be repaid in one year or less.

<b>Description of Debt (a)</b>	<b>Specific or Range of Stated Dates of Issue (b)</b>	<b>Specific or Range of Stated Dates of Maturity (c)</b>	<b>Specific or Range of Interest Rates (d)</b>	
<b>Funded Debt (Account 4210):</b>				
RTB	05/12/1980	05/12/2015	8.0000	<b>1</b>
RUS	02/08/1962-01/21/1971	02/08/1997-01/21/2006	2.0000	<b>2</b>
RUS	12/10/1973-03/09/1994	12/10/2008-03/09/2029	5.0000	<b>3</b>
<b>Total Funded Debt</b>				

# **LONG-TERM DEBT (cont.)**

Composite Interest Rate (e)	Held by Utility		Total Principal EOY (h)	Current Maturities Included in Acct. 4050 (i)	Total Amount Outstanding (j)	
	Reacquired Debt Acct. 4240 (f)	Sinking Funds Acct. 1408 (g)				
8.0000			377,744	11,275	389,019	1
2.0000			165,725	33,196	198,921	2
5.0000			2,348,292	87,903	2,436,195	3
	0	0	2,891,761	132,374	3,024,135	

**CAPITAL STOCK ACCOUNTS AT END OF YEAR**

In column (a) indicate the stated dividend rate applicable to each series of preferred stock.

<b>Class and Series (a)</b>	<b>Shares Authorized by Charter (b)</b>	<b>Par Value per Share (c)</b>	<b>Call Price End of Year (d)</b>
<b>COMMON STOCK:</b>			
	300	25.00	1
<b>TOTAL COMMON STOCK</b>	<b>300</b>		
<b>TOTAL</b>	<b>300</b>		

**CAPITAL STOCK ACCOUNTS AT END OF YEAR (cont.)**

	Acct. 4510 - Capital Stock		Acct. 4530 - Treasury Stock		
	Shares	Amount	Shares	Amount	
	(e)	(f)	(g)	(h)	
<b>COMMON STOCK:</b>					
	300	7,500			1
	<b>300</b>	<b>7,500</b>	<b>0</b>	<b>0</b>	
<b>TOTAL</b>	<b>300</b>	<b>7,500</b>	<b>0</b>	<b>0</b>	

**RETAINED EARNINGS (ACCT. 4550)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
Balance-First of Year	3,248,327	3,153,475	<b>1</b>
<b>Changes:</b>			
Balance Transferred from Income	478,190	244,852	<b>2</b>
<b>Dividends Declared:</b>			
Common	250,000	150,000	<b>3</b>
Preferred			<b>4</b>
<b>Total Dividends Declared</b>	<b>250,000</b>	<b>150,000</b>	
Miscellaneous Debits to Retained Earnings			<b>5</b>
Miscellaneous Credits to Retained Earnings			<b>6</b>
<b>Balance--End of Year</b>	<b><u>3,476,517</u></b>	<b><u>3,248,327</u></b>	

**DISTRIBUTION OF TAXES**

1. Report hereunder the summary accounts and functions charged with taxes accrued during the year.
2. Where allocation is necessary, explain the basis used.
3. Report in a footnote the amounts and kind of taxes cleared from prepaid taxes, if any.

<b>Summary Account/ Function Charged (a)</b>	<b>Wisconsin License Fee (b)</b>	<b>Wisconsin Income Tax (c)</b>	<b>Federal Income Tax (d)</b>	
Operating Taxes (Accts. 7210 - 7250)	140,495	57,584	186,149	<b>1</b>
Nonoperating Taxes (Accts. 7410 - 7450)		5,364	20,058	<b>2</b>
Extraordinary Items (Accts. 7630 & 7640)				<b>3</b>
Nonregulated Net Income (Acct. 7990)		(1,023)	(3,825)	<b>4</b>
Clearing Accounts				<b>5</b>
Construction				<b>6</b>
Payroll Taxes: FICA				<b>7</b>
Payroll Taxes: State Unemployment				<b>8</b>
Payroll Taxes: Federal Unemployment				<b>9</b>
<b>Other (specify):</b>				
<b>TOTAL</b>	<b><u>140,495</u></b>	<b><u>61,925</u></b>	<b><u>202,382</u></b>	

**DISTRIBUTION OF TAXES (cont.)**

<b>PSC Remainder Assessment (e)</b>	<b>Local Property Tax (f)</b>	<b>State &amp; Local Taxes Other than Wisconsin (g)</b>	<b>Other Taxes (h)</b>	<b>Payroll Taxes (i)</b>	<b>Total (j)</b>	
3,764			14,588		<b>402,580</b>	<b>1</b>
					<b>25,422</b>	<b>2</b>
					<b>0</b>	<b>3</b>
					<b>(4,848)</b>	<b>4</b>
					<b>0</b>	<b>5</b>
					<b>0</b>	<b>6</b>
				24,106	<b>24,106</b>	<b>7</b>
				286	<b>286</b>	<b>8</b>
				630	<b>630</b>	<b>9</b>
<b>3,764</b>	<b>0</b>	<b>0</b>	<b>14,588</b>	<b>25,022</b>	<b>448,176</b>	



**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>LOCAL NETWORK SERVICES REVENUES</b>			
Basic Local Service Revenue (5000)*			1
Basic Area Revenue (5001)	586,542	550,701	2
Optional Extended Area Revenue (5002)			3
Cellular Mobile Revenue (5003)			4
Other Mobile Services Revenue (5004)			5
Public Telephone Revenue (5010)	0	1,773	6
Local Private Line Revenue (5040)	1,927	2,350	7
Customer Premises Revenue (5050)			8
Other Local Exchange Revenue (5060)	74,888	71,599	9
Other Local Exchange Revenue Settlements (5069)			10
<b>TOTAL BASIC LOCAL SERVICE REVENUE (5000)</b>	<b>663,357</b>	<b>626,423</b>	
<b>NETWORK INTERSTATE ACCESS SERVICES REV.</b>			
End User Revenue (5081)*	178,879	171,841	11
Switched Access Revenue (5082)*	724,499	1,036,513	12 E
Special Access Revenue (5083)*	27,208	23,800	13
<b>TOTAL INTERSTATE ACCESS REVENUES (5080)</b>	<b>930,586</b>	<b>1,232,154</b>	
<b>NETWORK INTRASTATE ACCESS SERVICES REV.</b>			
End User Revenue (5084.1)*			14
Switched Access Revenue (5084.2)*	576,362	597,505	15
Special Access Revenue (5084.3)*	41,537	45,044	16
<b>TOTAL INTRASTATE ACCESS REVENUES (5084)</b>	<b>617,899</b>	<b>642,549</b>	
<b>LONG DISTANCE NETWORK SERVICES MESSAGE REV.</b>			
Long Distance Message Revenue (5100)*			17
Long Distance Inward-Only Revenue (5111)			18
Long Distance Outward-Only Revenue (5112)			19
<b>Unidirectional Long Distance Revenue (5110)</b>	<b>0</b>	<b>0</b>	
<b>Long Distance Private Network Revenues</b>			
Subvoice Grade Revenue (5121)			20
Voice Grade Revenue (5122)			21
Audio Program Grade Revenue (5123)			22
Video Program Grade Revenue (5124)	14,968	4,989	23 F
Digital Transmission Revenue (5125)			24
Switching Revenue (5126)			25
Other Revenue (5128)			26
Other Revenue Settlements (5129)			27
<b>Total Long Distance Private Network Revenue</b>	<b>14,968</b>	<b>4,989</b>	
Other Long Distance Revenue (5160)			28
Other Long Distance Revenue Settlements (5169)			29
<b>TOTAL LONG DISTANCE NET. SERVICES MESSAGE REV.</b>	<b>14,968</b>	<b>4,989</b>	

**REVENUES - CLASS A & B (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>MISCELLANEOUS REVENUES</b>			
Directory Revenue (5230)*	83,605	120,637	<b>30 G</b>
Rent Revenue (5240)*			<b>31</b>
Corporate Operations Revenue (5250)*			<b>32</b>
<b>Miscellaneous:</b>			
Miscellaneous Revenue (5260)*			<b>33</b>
Special Billing Arrangements Revenue (5261)	8,463	6,357	<b>34</b>
Customer Operations Revenue (5262)			<b>35</b>
Plant Operations Revenue (5263)			<b>36</b>
Other Incidental Regulated Revenue (5264)			<b>37</b>
Other Revenue Settlements (5269)	23,337	24,940	<b>38</b>
<b>Total Miscellaneous Revenue (5260)</b>	<b>31,800</b>	<b>31,297</b>	
Interstate Billing and Collection Revenue*	24,141	33,876	<b>39 G</b>
Intrastate Billing and Collection Revenue*	75,152	84,421	<b>40</b>
<b>Total Carrier Billing and Collection Revenue (5270)*</b>	<b>99,293</b>	<b>118,297</b>	
Nonregulated Operating Revenue (5280)**			<b>41</b>
<b>TOTAL MISCELLANEOUS REVENUES</b>	<b>214,698</b>	<b>270,231</b>	
<b>GROSS OPERATING REVENUES</b>	<b>2,441,508</b>	<b>2,776,346</b>	
<b>UNCOLLECTIBLE REVENUES</b>			
Uncollectible Revenue (5300)*			<b>42</b>
Uncollectible Revenue--Telecommunications (5301)	6,591	3,232	<b>43</b>
Uncollectible Revenue--Other (5302)			<b>44</b>
<b>TOTAL UNCOLLECTIBLE REVENUE (5300)</b>	<b>6,591</b>	<b>3,232</b>	
<b>TOTAL OPERATING REVENUES</b>	<b>2,434,917</b>	<b>2,773,114</b>	

\*\* Account 5280 is to be used only by those companies subject to dual jurisdiction.

**EXPENSE MATRIX - CLASS A & B**

<b>Particulars (a)</b>	<b>Total Last Year (b)</b>	<b>Total This Year (c)</b>	<b>Salaries / Wages (d)</b>	
<b>PLANT SPECIFIC OPERATIONS EXPENSE</b>				
Total Network Support Expense ( 6110 )	1,231	880	6,194	1
Less: Nonregulated	0	0		2
<b>Net Regulated</b>	<b>1,231</b>	<b>880</b>	<b>6,194</b>	<b>3</b>
Total General Support Expense ( 6120 )	42,290	46,182	10,239	4
Less: Nonregulated	0	0		5
<b>Net Regulated</b>	<b>42,290</b>	<b>46,182</b>	<b>10,239</b>	<b>6</b>
Total Central Office Switching Expense ( 6210 )	114,949	116,341	33,398	7
Less: Nonregulated	0	0		8
<b>Net Regulated</b>	<b>114,949</b>	<b>116,341</b>	<b>33,398</b>	<b>9</b>
Total Operator Systems Expense ( 6220 )	0	0		10
Less: Nonregulated	0	0		11
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12</b>
Total Central Office Transmission Expenses ( 6230 )	7,433	3,673	2,734	13
Less: Nonregulated	0	0		14
<b>Net Regulated</b>	<b>7,433</b>	<b>3,673</b>	<b>2,734</b>	<b>15</b>
Total Information Orig. / Term. Expense ( 6310 )	685	0		16
Less: Nonregulated	0	0		17
<b>Net Regulated</b>	<b>685</b>	<b>0</b>	<b>0</b>	<b>18</b>
Total Cable and Wire Fac. Expense ( 6410 )	84,264	89,170	49,880	19
Less: Nonregulated	0	0		20
<b>Net Regulated</b>	<b>84,264</b>	<b>89,170</b>	<b>49,880</b>	<b>21</b>
<b>TOTAL PLANT SPECIFIC OPERATIONS EXPENSE</b>	<b>250,852</b>	<b>256,246</b>	<b>102,445</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>250,852</b>	<b>256,246</b>	<b>102,445</b>	
<b>PLANT NONSPECIFIC OPERATIONS EXPENSE</b>				
Total Other Property, Plant and Equip. Exp. ( 6510 )	0	0		22
Less: Nonregulated	0	0		23
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>24</b>
Total Network Operations Expense ( 6530 )	85,239	74,392	46,713	25
Less: Nonregulated	0	0		26
<b>Net Regulated</b>	<b>85,239</b>	<b>74,392</b>	<b>46,713</b>	<b>27</b>
Access Expense ( 6540 )	0	0		28
Less: Nonregulated	0	0		29
<b>Net Regulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30</b>
Total Depreciation and Amortization Expense ( 6560 )	1,243,413	585,486		31
Less: Nonregulated	0	0		32 B
<b>Net Regulated</b>	<b>1,243,413</b>	<b>585,486</b>		<b>33</b>
<b>TOTAL PLANT NONSPECIFIC OPERATIONS EXP.</b>	<b>1,328,652</b>	<b>659,878</b>	<b>46,713</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>1,328,652</b>	<b>659,878</b>	<b>46,713</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Benefits (f)</b>	<b>Rents (g)</b>	<b>Other (h)</b>	<b>Clearances to (from) (i)</b>	
<b>6110</b>			24,835	(30,149)	1
					2
	<b>0</b>	<b>0</b>	<b>24,835</b>	<b>(30,149)</b>	3
<b>6120</b>	3,053		32,890		4
					5
	<b>3,053</b>	<b>0</b>	<b>32,890</b>	<b>0</b>	6
<b>6210</b>	9,944	61,739	11,260		7
					8
	<b>9,944</b>	<b>61,739</b>	<b>11,260</b>	<b>0</b>	9
<b>6220</b>					10
					11
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	12
<b>6230</b>	681		258		13
					14
	<b>681</b>	<b>0</b>	<b>258</b>	<b>0</b>	15
<b>6310</b>					16
					17
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	18
<b>6410</b>	15,071		24,219		19
					20
	<b>15,071</b>	<b>0</b>	<b>24,219</b>	<b>0</b>	21
	<b>28,749</b>	<b>61,739</b>	<b>93,462</b>	<b>(30,149)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>28,749</b>	<b>61,739</b>	<b>93,462</b>	<b>(30,149)</b>	
<b>6510</b>					22
					23
	<b>0</b>		<b>0</b>	<b>0</b>	24
<b>6530</b>	15,422		12,257		25
					26
	<b>15,422</b>	<b>0</b>	<b>12,257</b>	<b>0</b>	27
<b>6540</b>					28
					29
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	30
<b>6560</b>			585,486		31
					32 B
			585,486		33
	<b>15,422</b>	<b>0</b>	<b>597,743</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>15,422</b>	<b>0</b>	<b>597,743</b>	<b>0</b>	

**EXPENSE MATRIX - CLASS A & B**

<b>Particulars (a)</b>	<b>Total Last Year (b)</b>	<b>Total This Year (c)</b>	<b>Salaries / Wages (d)</b>	
<b>CUSTOMER OPERATIONS EXPENSE</b>				
Total Marketing ( 6610 )	25,501	16,040	8,086	34
Less: Nonregulated	0	0		35 c
<b>Net Regulated</b>	<b>25,501</b>	<b>16,040</b>	<b>8,086</b>	<b>36</b>
Total Services ( 6620 )	310,881	286,886	105,152	37
Less: Nonregulated	0	0		38
<b>Net Regulated</b>	<b>310,881</b>	<b>286,886</b>	<b>105,152</b>	<b>39</b>
<b>TOTAL CUSTOMER OPERATIONS EXPENSE</b>	<b>336,382</b>	<b>302,926</b>	<b>113,238</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>336,382</b>	<b>302,926</b>	<b>113,238</b>	
<b>CORPORATE OPERATIONS EXPENSE</b>				
Total Exec. and Planning ( 6710 )	80,503	52,887	35,817	40
Less: Nonregulated	0	0		41 D
<b>Net Regulated</b>	<b>80,503</b>	<b>52,887</b>	<b>35,817</b>	<b>42</b>
Total General and Administrative ( 6720 )	167,304	153,493	38,854	43
Less: Nonregulated	0	0		44
<b>Net Regulated</b>	<b>167,304</b>	<b>153,493</b>	<b>38,854</b>	<b>45</b>
Provision for Uncollectible Notes Receiv. ( 6790 )	0	0		46
Less: Nonregulated	0	0		47
<b>Net Regulated</b>	<b>0</b>	<b>0</b>		<b>48</b>
<b>TOTAL CORPORATE OPERATIONS EXPENSE</b>	<b>247,807</b>	<b>206,380</b>	<b>74,671</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>247,807</b>	<b>206,380</b>	<b>74,671</b>	
<b>TOTAL EXPENSES</b>	<b>2,163,693</b>	<b>1,425,430</b>	<b>337,067</b>	
<b>Less: Nonregulated</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Net Regulated</b>	<b>2,163,693</b>	<b>1,425,430</b>	<b>337,067</b>	

**EXPENSE MATRIX - CLASS A & B (cont.)**

<b>Account (e)</b>	<b>Benefits (f)</b>	<b>Rents (g)</b>	<b>Other (h)</b>	<b>Clearances to (from) (i)</b>	
<b>6610</b>	2,740		5,214		<b>34</b>
					<b>35 C</b>
	<b>2,740</b>	<b>0</b>	<b>5,214</b>	<b>0</b>	<b>36</b>
<b>6620</b>	31,428		150,306		<b>37</b>
					<b>38</b>
	<b>31,428</b>		<b>150,306</b>	<b>0</b>	<b>39</b>
	<b>34,168</b>	<b>0</b>	<b>155,520</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>34,168</b>	<b>0</b>	<b>155,520</b>	<b>0</b>	
<b>6710</b>	13,344		3,726		<b>40</b>
					<b>41 D</b>
	<b>13,344</b>		<b>3,726</b>	<b>0</b>	<b>42</b>
<b>6720</b>	13,775		100,864		<b>43</b>
					<b>44</b>
	<b>13,775</b>		<b>100,864</b>	<b>0</b>	<b>45</b>
<b>6790</b>					<b>46</b>
					<b>47</b>
			<b>0</b>		<b>48</b>
	<b>27,119</b>	<b>0</b>	<b>104,590</b>	<b>0</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>27,119</b>	<b>0</b>	<b>104,590</b>	<b>0</b>	
	<b>105,458</b>	<b>61,739</b>	<b>951,315</b>	<b>(30,149)</b>	
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
	<b>105,458</b>	<b>61,739</b>	<b>951,315</b>	<b>(30,149)</b>	

**EXPENSE MATRIX - CLASS A & B ( DETAIL )**

<b>Particulars (a)</b>	<b>Total Last Year (b)</b>	<b>Total This Year (c)</b>	<b>Salaries/ Wages (d)</b>	
Property Held for Future Tele. Use Exp. ( 6511 )	0	0		<b>1</b>
Provisioning Expense ( 6512 )	0	0		<b>2</b>
<b>Total: Reported in Account 6510</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Depreciat. Exp.--Tele. Plant in Service ( 6561 )	1,243,413	585,486		<b>3</b>
Depreciat. Exp.--Prop. Held for Future Tele. Use ( 6562 )	0	0		<b>4</b>
Amortization Expense--Tangible ( 6563 )	0	0		<b>5</b>
Amortization Expense--Intangible ( 6564 )	0	0		<b>6</b>
Amortization Expense--Other ( 6565 )	0	0		<b>7</b>
<b>Total: Reported in Account 6560</b>	<b>1,243,413</b>	<b>585,486</b>		

**EXPENSE MATRIX - CLASS A & B ( DETAIL ) (cont.)**

Account (e)	Benefits (f)	Rents (g)	Other (h)	Clearances to (from) (i)	
6511					1
6512					2
	0		0	0	
6561			585,486		3
6562					4
6563					5
6564					6
6565					7
			585,486		



## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to Department of Justice and telephone relay assessments.**

Description (a)	This Year (b)	
Gross Operating Revenues	2,441,508	1
Plus: Collection of amounts previously written off	19,257	2
Less: Uncollectibles written off during the year	25,849	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder, Department of Justice, and Telephone Relay Assessment Purposes</b>		<b><u>2,434,916</u></b>

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	663,357	1
Plus: Total Intrastate Access Revenues (5084)	617,899	2
Plus: Total Long Distance Network Services Revenue	14,968	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b><u>1,296,224</u></b>	

## CALCULATION OF ASSESSABLE REVENUES FOR REMAINDER AND TELEPHONE RELAY ASSESSMENT PURPOSES

**Currently, cooperatives are not billed for remainder assessment, but are subject to the telephone relay assessment.**

Description (a)	This Year (b)	
Gross Operating Revenues	2,441,508	1
Plus: Collection of amounts previously written off	19,257	2
Less: Uncollectibles written off during the year	25,849	3
Plus: Total Other Operating Income and (Expense) (7100)	0	4
Less: Nonregulated Operating Revenue (included Gross Oper. Rev. on Line 1)		5
Plus: Nonregulated Net Write Off Amount (included on lines 2 and 3)		6
Less: Out-of-State Operating Revenues (included in Gross Oper. Rev. on Line 1)		7
Plus (or Less) Other (please specify):		8
<b>Assessable Revenues for Remainder and Telephone Relay Assessment Purposes</b>	<b>2,434,916</b>	

## CALCULATION OF ASSESSABLE REVENUES FOR UNIVERSAL SERVICE FUND ASSESSMENT PURPOSES

Description (a)	This Year (b)	
Total Basic Local Service Revenue (5000)	663,357	1
Plus: Total Intrastate Access Revenues (5084)	617,899	2
Plus: Total Long Distance Network Services Revenue	14,968	3
Less: Out-of-State Operating Revenues (included in the above lines)		4
Plus (or Less) Other (please specify):		5
<b>Assessable Revenues for Universal Service Fund Assessment Purposes</b>	<b>1,296,224</b>	

**OTHER INCOME ACCOUNTS (CLASS B USE ACCOUNTS DESIGNATED BY \*)**

<b>Particulars (a)</b>	<b>This Year (b)</b>	<b>Last Year (c)</b>	
<b>OTHER OPERATING INCOME AND EXPENSE</b>			
Income from Custom Work (7110)*			1
Return from Nonregulated Use of Regulated Facilities (7130)*			2
Gains and (Losses) from Foreign Exchange (7140)			3
Gains or (Losses) from the Disposition of Land and Artworks (7150)			4
Other Operating Gains and (Losses) (7160)*			5
<b>TOTAL OTHER OPERATING INCOME AND (EXPENSE) (7100)*</b>	<b>0</b>	<b>0</b>	
<b>OPERATING TAXES</b>			
Operating Investment Tax Credits--Net (7210)*	(25,032)	(25,032)	6
Operating Federal Income Taxes (7220)*	204,450	238,607	7
Operating State and Local Income Taxes (7230)*	57,584	38,357	8
Operating Other Taxes (7240)*	158,847	163,743	9
Provision for Deferred Operating Income Taxes--Net (7250)*	6,731	(161,894)	10
<b>TOTAL OPERATING TAXES (7200)*</b>	<b>402,580</b>	<b>253,781</b>	
<b>NONOPERATING INCOME AND EXPENSE</b>			
Dividend Income (7310)*			11
Interest Income (7320)*	7,142	5,627	12
Income from Sinking and Other Funds (7330)*			13
Allowance for Funds Used During Construction (7340)*	0	11,544	14
Gains or (Losses) from the Disposition of Certain Property (7350)*			15
Other Nonoperating Income (7360)*	59,955	80,000	16
Special Charges (7370)*	2,868	12,106	17
<b>TOTAL NONOPERATING INCOME AND EXPENSE (7300)*</b>	<b>64,229</b>	<b>85,065</b>	
<b>NONOPERATING TAXES</b>			
Nonoperating Investment Tax Credits--Net (7410)*			18
Nonoperating Federal Income Taxes (7420)*	57,168	53,177	19
Nonoperating State and Local Income Taxes (7430)*	15,246	14,262	20
Nonoperating Other Taxes (7440)*			21
Provision for Deferred Nonoperating Income Taxes-Net (7450)*	(46,992)	(38,410)	22
<b>TOTAL NONOPERATING TAXES (7400)*</b>	<b>25,422</b>	<b>29,029</b>	
<b>INTEREST AND RELATED ITEMS</b>			
Interest on Funded Debt (7510)*	159,811	165,696	23
Interest Expense--Capital Leases (7520)*			24
Amortization of Debt Issuance Expense (7530)*	269	269	25
Other Interest Deductions (7540)*	0	229	26
<b>TOTAL INTEREST AND RELATED ITEMS (7500)*</b>	<b>160,080</b>	<b>166,194</b>	
<b>EXTRAORDINARY ITEMS</b>			
Extraordinary Items (7600)*			27
Extraordinary Income Credits (7610)			28
Extraordinary Income Charges (7620)			29
Current Income Tax Effect of Extraordinary Items--Net (7630)		0	30
Provision for Deferred Income Tax Effect of Extraordinary Items--Net (7640)		0	31
<b>TOTAL EXTRAORDINARY ITEMS (7600)*</b>	<b>0</b>	<b>0</b>	
<b>NONREGULATED NET INCOME</b>			
Nonregulated Net Income (7990)*	(7,444)	(630)	32

**NONREGULATED NET INCOME (ACCT. 7990)**

<b>Particulars (a)</b>	<b>Amount (b)</b>	
Revenues (Acct. 7990.1)		
Gross Sales	115,217	1
Less: Cost of Goods Sold	63,698	2
<b>Net Sales</b>	<b>51,519</b>	<b>3</b>
Expenses (Acct. 7990.2)	58,963	4
<b>Nonregulated Net Income</b>	<b><u>(7,444)</u></b>	<b>5</b>

List the type of nonregulated activities that company is involved in:

SALES AND MAINTENANCE OF CUSTOMER PREMISE EQUIPMENT (CPE), INSIDE WIRING,  
CELLULAR, PAGING AND PAYSTATION ACTIVITY.

If the revenues from an individual nonregulated activity represent in excess of 5% of the total operating revenues for the company, please provide the amounts, as requested above, for that individual activity:

**DISTRIBUTION OF SALARIES AND WAGES**

<b>Description (a)</b>	<b>Amount (b)</b>	
Regulated Expense	337,067	1
Nonregulated Expense	29,234	2
Plant Accounts	55,027	3
Accumulated Depreciation Accounts	640	4
All Other Accounts	3,384	5
<b>Total Salaries and Wages</b>	<b>425,352</b>	6 H

**EMPLOYEE DATA**

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

<b>Employee Category (a)</b>	<b>Number of Equivalent Full-Time Employees</b>		<b>Total Compensation (d)</b>	
	<b>FOY (b)</b>	<b>EOY (c)</b>		
Officers			0	1
Supervision and Other Management	1.00		0	2
Other Employees	9.00	10.00	341,648	3
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	<b>341,648</b>	

EMPLOYEE DATA

Compensation includes wages, commissions, bonuses and any other cash allowances paid to employees.

Employee Category (a)	Number of Equivalent Full-Time Employees		Total Compensation (d)	
	FOY (b)	EOY (c)		
Officers			0	1
Supervision and Other Management	1.00		0	2
Other Employees	9.00	10.00	341,648	3
Total	10.00	10.00	341,648	

**TELEPHONE CALLS AND MINUTES OF USE PER MONTH**

Enter average number, in thousands, of calls and minutes of use per month. The averages may be based on actual counts taken periodically during the year. Please provide level of detail available.

Item (a)	Telephone Calls (000's) (b)	Minutes of Use (000's) (c)	
<b>LOCAL</b>			
Intra-Exchange	0	0	1
Extended Area Service	0	0	2
Extended Community Calling	18	76	3
Other Local-Undefined	0	0	4
<b>Total Local</b>	<b>18</b>	<b>76</b>	
<b>TOLL</b>			
Operator Handled: State--intraLATA	4	4	5
Operator Handled: State--interLATA	1	1	6
Operator Handled: Interstate	1	2	7
Customer Dialed: State--intraLATA	57	342	8
Customer Dialed: State--interLATA	48	323	9
Customer Dialed: Interstate	56	383	10
WATS	0	0	11
Other Toll-Undefined	0	0	12
<b>Total Toll</b>	<b>167</b>	<b>1,055</b>	
<b>Total Local &amp; Toll</b>	<b>185</b>	<b>1,131</b>	

**ACCESS USAGE**

Enter number, in thousands, of Billed Minutes.

Description (a)	Billed Minutes (000's)				
	Interstate InterLATA (b)	Intrastate InterLATA (c)	Intrastate IntraLATA (d)	Interstate IntraLATA (e)	
Feature Group A -- Orig.					1
Feature Group A -- Term.					2
Feature Group B -- Orig.					3
Feature Group B -- Term.					4
Feature Group C -- Orig.			1,970		5
Feature Group C -- Term.			1,694		6
Feature Group D -- Orig.	2,013	1,596	465		7
Feature Group D -- Term.	2,602	2,288	18		8



**OUTSIDE PLANT STATISTICS AT END OF YEAR**

<b>Description of Item (a)</b>	<b>Amount (b)</b>	
Sheath miles of plant - aerial	0	1
Sheath miles of plant - buried	606	2
Sheath miles of plant - fiber optics	36	3
Strand miles of plant - fiber optics	733	4
Route miles of plant - microwave	0	5

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

<b>Circuit Type (a)</b>	<b>InterLATA Chan. Terms. (b)</b>	<b>IntraLATA Chan. Terms. (c)</b>	
Voice grade	3	11	1
56 kbps	10	11	2
64 kbps (DS0)	2	0	3
1.54 Mbps (DS-1)	3	5	4
45 Mbps (DS-3)	1	0	5
SONET OC-1	0	0	6
SONET OC-3	0	0	7
SONET OC-12	0	0	8
SONET OC-48	0	0	9
SONET OC-192	0	0	10

**OUTSIDE PLANT STATISTICS AT END OF YEAR**

<b>Description of Item (a)</b>	<b>Amount (b)</b>	
Sheath miles of plant - aerial	0	<b>1</b>
Sheath miles of plant - buried	606	<b>2</b>
Sheath miles of plant - fiber optics	36	<b>3</b>
Strand miles of plant - fiber optics	733	<b>4</b>
Route miles of plant - microwave	0	<b>5</b>

**SPECIAL ACCESS CIRCUITS IN USE AT END OF YEAR**

<b>Circuit Type (a)</b>	<b>InterLATA Chan. Terms. (b)</b>	<b>IntraLATA Chan. Terms. (c)</b>	
Voice grade	3	11	<b>1</b>
56 kbps	10	11	<b>2</b>
64 kbps (DS0)	2	0	<b>3</b>
1.54 Mbps (DS-1)	3	5	<b>4</b>
45 Mbps (DS-3)	1	0	<b>5</b>
SONET OC-1	0	0	<b>6</b>
SONET OC-3	0	0	<b>7</b>
SONET OC-12	0	0	<b>8</b>
SONET OC-48	0	0	<b>9</b>
SONET OC-192	0	0	<b>10</b>

**SERVICE DATA**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Business</b>			
1 Party	370	366	3
2 Party		0	4
4 Party		0	5
PBX Trunks/System Trunks	3	0	6
Centrex Trunks		3	7
Centrex Lines	409	501	8
Key System Trunks	145	139	9
Mobile (Utility Provided Service)	0	0	10
Paging (Utility Provided Service)	69	83	11
FX-Out (Switched)	2	2	12
Pay Telephone	26	24	13
Coin-Operated Pay Telephone	0	0	14
Independent Pay Telephone Provider	0	14	15
Pay Stations - Public	0	0	16
- Semi-Public	0	0	17
- Cust. Owned	0	0	18
Other	0	0	19
<b>Total Business Lines</b>	<b>1,024</b>	<b>1,132</b>	<b>20</b>
<b>Residential (Incl. Emp. Concess.)</b>			
1 Party	2,507	2,562	22
2 Party		0	23
4 Party		0	24
FX-Out (Switched)		0	25
Other		0	26
<b>Total Residential Lines</b>	<b>2,507</b>	<b>2,562</b>	<b>27</b>
<b>Total Bus &amp; Res Lines</b>	<b>3,531</b>	<b>3,694</b>	<b>28</b>
Company Used Lines	65	64	29
<b>Total Lines Used</b>	<b>3,596</b>	<b>3,758</b>	<b>30</b>

**SERVICE DATA (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	FOY (b)	EOY (c)	
<b>Miscellaneous</b>			
WATS Lines - OutWATS		0	3
WATS Lines - 800 Service		0	4
FX-In-intraLATA	4	3	5
Special Access-intraLATA			6
(expressed in equiv. access lines)	97	142	7
Special Access-interLATA			8
(expressed in equiv. access lines)	37	759	9
Feature Group A Lines		0	10
Feature Group B Trunks		0	11
Feature Group C Trunks		0	12
Feature Group D Trunks	0	0	13
TSPS - Trunks	0	0	14
EAS - Trunks	0	0	15
Cellular Trunks (Pub. Sw. Net.)		0	16
Video Distance Learning			17
- discounted (special tariff)	6	1	18
<b>Customers</b>			
Business - 2 Party Customers		0	19
Business - 4 Party Customers		0	20
Residential - 2 Party Customers		0	21
Residential - 4 Party Customers		0	22
<b>Other</b>			
Total Central Office, Info. Orig./Term., & Cable			23
Wire Fac. Assets (based on physical			24
location of plant)	8,375,661	8,694,900	25
Total Company Square Miles	311	311	26
Total Company Route Miles	441	606	27
Footnotes			28
			29
			30

**SERVICE DATA - END OF YEAR**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0180	1290			1
<b>Business</b>					2
1 Party	46	320			3
2 Party	0	0			4
4 Party	0	0			5
PBX Trunks/System Trunks	0	0			6
Centrex Trunks	---CONF---	---CONF---			7
Centrex Lines	0	501			8
Key System Trunks	2	137			9
Mobile (utility provided service)	0	0			10
Paging (utility provided service)	0	83			11
FX-Out (Switched)	0	2			12
Pay Telephone	3	21			13
Coin-Operated Pay Telephone	0	0			14
Independent Pay Telephone Provider	0	14			15
Pay Stations - Public	0	0			16
- Semi-Public	0	0			17
- Cust. Owned	0	0			18
Other	0	0			19
<b>Total Business Lines</b>	<b>51</b>	<b>1,081</b>	<b>0</b>	<b>0</b>	20
<b>Residential (Incl. Emp. Concess.)</b>					21
1 Party	477	2,085			22
2 Party	0	0			23
4 Party	0	0			24
FX-Out (Switched)	0	0			25
Other	0	0			26
<b>Total Residential Lines</b>	<b>477</b>	<b>2,085</b>	<b>0</b>	<b>0</b>	27
<b>Total Bus &amp; Res Lines</b>	<b>528</b>	<b>3,166</b>	<b>0</b>	<b>0</b>	28
Company Used Lines	4	60			29
<b>Total Lines Used</b>	<b>532</b>	<b>3,226</b>	<b>0</b>	<b>0</b>	30

**SERVICE DATA - END OF YEAR (cont.)**

Access Line--Central office line equipment, or equivalent, and all outside plant facilities, or equivalent, required to connect the serving central office with the customer premises via physical connection, frequency, and/or time slot. From an engineering perspective, a channel connection is at a DS0 level. A DS0 level is a 4 KHz voice or 64 Kilobits/second. Customer--A person who uses a telephone as a subscriber.

Item (a)	Exchange (b)	Exchange (c)	Exchange (d)	Exchange (e)	
PSCW Exchange ID	0180	1290			1
<b>Miscellaneous</b>					2
WATS Lines - OutWATS	0	0			3
WATS Lines - 800 Service	0	0			4
FX-In-intraLATA	0	3			5
Special Access-intraLATA					6
(equiv. access lines)	2	140			7
Special Access-interLATA					8
(equiv. access lines)	0	759			9
Feature Group A Lines	0	0			10
Feature Group B Trunks	0	0			11
Feature Group C Trunks	0	0			12
Feature Group D Trunks	0	0			13
TSPS - Trunks	0	0			14
EAS - Trunks	0	0			15
Cellular Trunks (Pub. Sw. Net.)	0	0			16
Video Distance Learning					17
- discounted (special tariff)	0	1			18
<b>Customers</b>					19
Business - 2 Party Customers	0	0			20
Business - 4 Party Customers	0	0			21
Residential - 2 Party Customers	0	0			22
Residential - 4 Party Customers	0	0			23
<b>Other</b>					24
Exchange C.O., Info. Orig./Term., & Cable					25
Wire Fac. Assets (based on physical					26
location of plant)	970,865	7,724,035			27
Exchange Square Miles	141	170			28
Exchange Route Miles	103	503			29
Footnotes					30

**MANUFACTURER ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

<b>Manufacturer Name (a)</b>	<b>Abbreviation (b)</b>	
Alcatel	AL	<b>1</b>
ATTC	ATT	<b>2</b>
GTE	GTE	<b>3</b>
ITT	ITT	<b>4</b>
Lucent	ATT/LUC	<b>5</b>
Nippon Electric	NEC	<b>6</b>
Northern Telecom	NTI	<b>7</b>
Siemens	SI	<b>8</b>
Stromberg-Carlson	SC	<b>9</b>
VIDAR	VI	<b>10</b>

**EQUIPMENT ABBREVIATIONS**

Use these abbreviations when completing the central office data schedule.

<b>Equipment Type (a)</b>	<b>Abbreviation (b)</b>	
Electromechanical	EM	<b>1</b>
Electronic--Analog	A	<b>2</b>
Electronic--Digital	D	<b>3</b>
Electronic--Video	V	<b>4</b>

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Electronic--Video	V	<b>4</b>



**CENTRAL OFFICE DATA - END OF YEAR**

When an exchange has more than one central office, data must be reported for each central office.

<b>Description (a)</b>	<b>Central Off. (b)</b>	<b>Central Off. (c)</b>	<b>Central Off. (d)</b>	<b>Central Off. (e)</b>	
Exchange Name	ARGONNE	CRANDON			1
PSCW Exchange ID	0180	1290			2
Central Office Name	ARGONNE	CRANDON			3
PSCW Central Office ID	1	1			4
Manufacturer of COE (Page 54)	NTI	NTI			5
Year COE Installed	1997	1997			6
Type of Equipment (Page 54)	D	D			7
(S)tandalone, (H)ost, (R)emote	R	R			8
Remote Host PSCW Exchange ID	4550	4550			9
Remote Host PSCW Central Office ID	1	1			10
COE Generic Software Release No.	LLT0008	LLT0008			11
SS7?	Yes	Yes			12
9-1-1?	No	No			13
Access Lines - In Use	532	3,141			14
- Equipped	1,152	5,437			15
- Wired	1,280	5,760			16
Trunks - In Use	0	0			17
- Equipped	0	0			18
- Wired	0	0			19
ISDN Available?	No	No			20
ISDN Lines - In Use (BRI)	0	0			21
- In Use (PRI)	0	0			22
Switched 56 Service?	Yes	Yes			23
Switched 56 lines in use	0	0			24
Digital Transmission Facilities: DS-1 - In Use	4	59			25
DS-3 - In Use	0	2			26
Advanced Data Service Available:					
Packet Switching?	No	No			27
SMDS?	No	No			28
Frame Relay?	No	No			29
ATM (Asynchronous Trans. Mode)?	No	No			30
Video Information - Service Available?	Yes	Yes			31
- In Use (# lines) <sup>1</sup>	0	1			32
Fiber Transmission Facilities:					
No. of fiber strands entering C.O.	16	120			33
No. of fiber strands working (LIT) in C.O.	4	22			34
No. of fiber strands for interoffice use	4	20			35
Miles of fiber sheath in wire center	2	34			36
Access Tandem Serving this C.O.:					
- C.O. Name	RHINELANDER	RHINELANDER			37
- PSCW C.O. ID	4550-01	4550-01			38
Does this C.O. do access tandem switching?	No	No			39
Equal Access: InterLATA (1+)?	Yes	Yes			40
Equal Access: IntraLATA (1+)?	Yes	Yes			41
Footnotes					42

<sup>1</sup> Teleco provided end-to-end facility.

**GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES****General Footnote**

Response received 11/24/99:

item 1: a) Rhinelander Telecommunications paid federal income tax for Crandon Telephone Company. A revision to page 15 will be mailed as soon as possible. b) Response will be provided by the first week of December, 1999.

Item 2: (entries provided and entered into Important Changes schedule of the 1997 report)

Item 3: noted

Item 4: noted

Item 5: The schedule Telephone Calls and Minutes of Use will be filed completely in 1999.

ele

October 27, 1999

Mr. Lee A. Lappin, Controller  
Crandon Telephone Company  
53 North Stevens Street  
P.O. Box 340  
Rhinelander, WI 54501-0340

Re: 1998 Analytical Review DWCCA-1410-ELE

Dear Mr. Lappin:

The Public Service Commission (PSC) is in the process of completing an analytical review of your utility's 1998 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. Page 16 reports a balance of \$45,592 in Account 1190, Other Accounts Receivable, from Rhinelander Telecommunications, Inc. Since this balance has changed from that reported in the 1997 annual report, it would appear that transactions have occurred during 1998.

a) Please explain whether the transaction(s) which created this balance are reported on page 15, or file a revised page 15 which gives the required data for these transactions.

b) Please state whether affiliated interest agreements have been filed with the Commission to address this affiliated activity.

2. During our review, we noted we cannot locate a response to your 1997 analytical review letter dated September 23, 1998. One matter remains relevant: Please provide the journal entry(ies) recorded on the telcos books for the transaction concerning the deregulation of payphone assets, whether transferred below-the-line or to a separate affiliate, basis of valuation and how it compared to net book value, and the date of such

**GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES**

journal entry(ies). If you did reply, please provide a copy of your response, and we apologize for any inconvenience.

3. In the future, please file the public copy of your annual report with the pages printed back to back.

4. During our review, we noted that you have not provided the Listing of Schedules with Confidential Locks. Please note that this schedule is required. In the future, please file this schedule.

5. Staff review of page 47 reveals that only partial information related to telephone calls and minutes of use per month are provided and that the related footnote does not contain sufficient reason(s) for unavailability of such data.

Your attention is drawn to the instructions for filing this data shown in the Commission staff e?mail dated November 19, 1998, concerning the 1998 report and the schedule reference sheet for page 47, Telephone Calls and Minutes of Use Per Month, in the 1998 Operations Manual. Even though the Commission is not requiring your company to furnish this data for the 1998 annual report due to time constraints, all efforts should be made to provide this information for the 1999 annual report due April 1, 2000. In cases where actual data cannot be made available for the 1999 report, estimated number of calls and minutes of use per month may be provided. Nonavailability of this information should be documented in a footnote that states clearly the reason(s) as to why it is not available and outlines the actions taken by the company to obtain such information (such as the results of discussions with switch vendors and the cost associated with adding this feature to the switching equipment or software).

We appreciate your cooperation in providing the above information

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**Schedule Footnotes**

**Central Office Lookup Table Footnote. Page 0**

**Cover Page Footnote. Page 1**

**Telecommunications Plant in Service Class A & B (Sub-Class Accounts) Footnote. Page 24**

**A. TRANSFER/RECLASSIFY TO THE PROPER UNIFORM SYSTEM OF ACCOUNTS ACCOUNT.**

**Net Deferred Operating Income Taxes (Acct. 1350, 1410, 1437, 4100, 4340, 4341 & 4361) Footnote. Page 30**

**J. PURSUANT TO AGREEMENT WITH PSCW STAFF, NET DEFERRED OPERATING INCOME TAX PROPERTY AND NONPROPERTY RELATED DETAIL AND ACTIVITY IS NOT REQUIRED FOR THE 1998 ANNUAL REPORT. THE TOTAL AMOUNTS FOR ACCOUNTS 1437, 4100, 4340, 4341 AND 4361 ARE INCLUDED IN THE BALANCE EOY COLUMN IN ORDER THAT THE BALANCE SHEET SCHEDULES MAY BE POPULATED WITH THE APPROPRIATE END-OF-YEAR BALANCES FOR THESE ACCOUNTS IN THE PROGRAM.**

**GENERAL, SCHEDULE LEVEL AND SCHEDULE LINE FOOTNOTES****Revenues - Class A & B (Class B Use Accounts Designated By \*) Footnote. Page 40**

E. IN 1997 THERE WAS AN INCREASED POOLING RECEIVABLE FROM NECA DUE TO THE INCREASED DEPRECIATION EXPENSE FOR RESERVE DEFECIENCY OF CENTRAL OFFICE EQUIPMENT.

F. CONTRACT BEGAN IN SEPTEMBER OF 1997.

G. NO YEAR-END ESTIMATED RECEIVABLES WERE RECORDED.

**Expense Matrix - Class A & B Footnote. Page 41**

B. 1997 HAD AN INCREASED DEPRECIATION ACCRUAL TO OFFSET THE RESERVE DEFECIENCY ASSOCIATED WITH THE RETIREMENT OF CENTRAL OFFICE EQUIPMENT.

C. MARKETING EXPENSE DECREASED DUE TO LESS TELEMARKETING EXPENDITURE.

D. EXECUTIVE EXPENSE DECREASED BECAUSE THE ASSISTANT MANAGER TOOK EMPLOYMENT ELSEWHERE AND WAS NOT REPLACED.

**Distribution of Salaries and Wages Footnote. Page 46**

H. RECONCILIATION OF WAGES PAID TO WAGES EARNED:

WAGES PER W-2    341,648

AFFIL P/R: RTC    53,823

ACCRUALS            29,881

**Telephone Calls and Minutes of Use Per Month Footnote. Page 47**

I. REPORTING ECC DEMAND ONLY. SEE "EDIT CHECK RESULT" ON ACCEPTABLE VALUES COMMENT.

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**Schedule Line Footnotes**

A) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

B) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

C) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

D) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

E) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

F) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

G) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

H) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

I) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.

J) SEE SAME "SCHEDULE FOOTNOTE" ABOVE.